

May 23, 1973

the amendment which has been adopted allows the exemption, which was originally intended but which was not quite accomplished, but that amendment that has been adopted would provide for approximately \$250.00 on a house up to \$15,000 valuation. Now here is a letter from the Revenue Department estimating the figures. LB 114 as amended by the Revenue Committee changes the exemption in '73 from 25% of the tax but not to exceed \$125.00 and in 1974 50% of the tax but not to exceed \$250.00 to an exemption of value, the first \$15,000 after same percentages. The affected change of the valuation whether the tax is negligible as far as dollars are concerned with regard to individuals, those with over \$15,000 valuation and a low mill levy may not receive as much exemption as previously. A high mill levy home owner may receive somewhat more relief. Now our best estimates are that the bill as amended by Committee will have no fiscal impact except for some \$235,000 to fund additional exemptions for certain widows of veterans. With this exception, the protected cost remain the same as last year. That is, for 1973 \$6,720,000 and for 1974 approximately twice that amount. These are the years I wish to stress, our estimates apply only to the elderly. We are not sure the number of home owners who will qualify. The proposed amendment by Senator Carpenter which we are presently discussing would increase the maximum exemption by 60% each year. Using this figure, the 1973 cost increased by \$4,000,000 and then the 1974 cost would be increased by \$8,000,000. The latter figure is probably definitely high as we would probably be above the average with \$15,000 exemption base. So it is not a hard and fast rule that it will be a \$4,000,000 increase and an \$8,000,000, but it will be somewhere in that ball park. Now this is.. these figures here in the last were my own statements but this is the figure as released by the Tax Revenue or the Revenue Department of what the 90% amendment would cost over and above the Committee amendment which we have on the bill now.

SENATOR CARPENTER: Now, Mr. President, going back..

SPEAKER: Senator Carpenter.

SENATOR CARPENTER: ...going back to the beginning of the history of this bill, I introduced the bill and I don't think I am breaking any confidences. I went to the Governor then, which is a couple of years ago, and he said I will agree to your bill to pay these people \$125.00 the first year and \$250.00 the second year if you will split in two years so that it won't come all in one year. Now he and I, insofar as I'm concerned and anyone else who was there, understood the intent of the original bill was to give these people \$125.00 the first year and \$250.00 the second year. Now it seems to me if there is any one group in this state and there is 187,000 people who are in the category of being possibly eligible because of their age and other things, but who probably would not qualify under many conditions. These people, insofar as I'm concerned, are the one group of people who are segregated. They are the one people who need this money more than anyone else. They are the one group who dislikes, more than anything else, to be moved out of their home and the taxes are going up year by year, as we all realize, in varying areas by various degrees. Now these people were told that they'd receive this. That was the intent of the Legislature at that time. In the time in which we had the amendments drafted, they had to be changed. They were changed by the Tax Commissioner or his staff. I don't know why the mistake was made, if it was a mistake and I think it was, because it didn't carry out the intent of the understanding between the Governor of the state of Nebraska at that time and myself, which was eventually conveyed to this Legislature. Now, what Senator Burbach

(End of Belt #24)